DEPARTMENT OF JUSTICE

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2002

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Victims' Fund as at March 31, 2002 and the statements of operations and accumulated surplus, cash flows, and tangible capital assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 17, 2002

Fred Wendel, CMA, CA
Provincial Auditor

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2002	2001
Financial assets:		
Due from General Revenue Fund (Statement 3 and Note 5)	$ 388,020	$ 45,365
Accounts receivable (Note 6)	696,371	573,391
Due from Public Trustee (Note 7)	3,100,516	3,366,476
Total financial assets	4,184,907	3,985,232
Liabilities:		
Accounts payable	207,999	32,134
Employee leave entitlement	13,278	9,410
Deferred revenue (Notes 2 and 8)	69,505	90,616
Total liabilities	290,782	132,160
Accumulated surplus (Statement 2)	$ 3,894,125	$ 3,853,072
Accumulated surplus represented by:		
Accumulated operating results	$ 3,896,815	$ 3,856,617
Less tangible capital assets (Statement 4)	(2,690)	(3,545)
	$ 3,894,125	$ 3,853,072

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended March 31

	Budget 2002 (Note 9)	Actual 2002	2001
Revenue:			
Surcharge revenue	$ 2,745,000	$ 2,800,829	$ 2,318,859
Investment income (Note 7)	320,000	241,136	394,754
Proceeds of Crime revenue	-	21,112	107,595
Federal/Provincial Cost Sharing Agreement revenue	-	134,300	-
Other	15,000	20,419	15,200
Total revenue	3,080,000	3,217,796	2,836,408
Expense:			
Administration costs	503,000	430,412	419,225
Crisis intervention services	1,598,000	1,713,697	1,619,917
Court based programs	198,000	225,266	196,625
Compensation payments	400,000	385,527	312,454
Restitution program	135,000	132,014	135,147
Research, evaluation & prevention	219,000	145,950	202,305
Education and training	210,000	123,620	-
Proceeds of Crime	-	21,112	107,595
Total expense (Schedule 1)	$ 3,263,000	$ 3,177,598	$ 2,993,268
Net decrease (increase) in tangible capital assets	-	855	(582)
Surplus (deficit) for the year	$ (183,000)	41,053	(157,442)
Accumulated surplus, beginning of year		3,853,072	4,010,514
Accumulated surplus, end of year (Statement 1)		$ 3,894,125	$ 3,853,072

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2002	2001
Cash flows from Operating Activities:		
Surplus (deficit) for the year	$ 41,053	$ (157,442)
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(122,980)	14,695
Decrease in amount due from Public Trustee	265,960	80,245
Increase (decrease) in accounts payable	175,865	(41,879)
Decrease in deferred revenue	(21,111)	(63,090)
Increase in employee leave entitlement	3,868	2,648
Increase (decrease) in cash position during the year	342,655	(164,823)
Due from General Revenue Fund, beginning of year	45,365	210,188
Due from General Revenue Fund, end of year	$ 388,020	$ 45,365

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended March 31

	2002	2001
	Equipment	
Opening costs	$ 65,770	$ 61,768
Additions during the year	2,034	4,002
Disposals	—	—
Closing cost	67,804	65,770
Opening accumulated amortization	62,225	58,805
Annual amortization	2,889	3,420
Disposals	—	—
Closing accumulated amortization	65,114	62,225
Net book value of tangible capital assets	$ 2,690	$ 3,545

(See accompanying notes to the financial statements)

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DEPARTMENT OF JUSTICE
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2002

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act* as amended April 1, 1992, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; to conduct research and to distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

i) Surcharge Revenue

Surcharge revenue represents provincial and federal fine surcharges collected by the Department of Justice in accordance with *The Victims of Crime Act, 1995* and the Criminal Code. The Department of Justice is responsible for collecting the surcharges on behalf of the Fund. Surcharges are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Proceeds of crime funding

Proceeds of crime funding received from the Federal Government is recognized as revenue in the year the related expenses are incurred.

c) Expense

Expense represents the cost of resources consumed during the year for operations. Expense includes provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets acquired before March 31, 1997, that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over five years. Tangible capital assets acquired after March 31, 1997, that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over three years.

e) Net Decrease (Increase) in Tangible Capital Assets

The net decrease (increase) in tangible capital assets represents adjustments required to report the surplus (deficit) for the year on an expenditure basis.

3. Financial Instruments

The Fund has the following financial instruments: due from General Revenue Fund, investments, accounts receivable, and accounts payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Fund's receivables and payables are non-interest bearing. Due to the short-term nature of these, interest rate risk is minimal.

As market interest rates fluctuate the market value of fixed income investments moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable or investment income and principal.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines which will be collected, based on past experience.

The Fund's investments consist of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Fund limits the credit risk by investing in securities considered to be high quality.

c) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of investments at March 31, 2002 approximates carrying value.

4. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

The Fund received certain administrative services from the Departments of Justice and Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements.

5. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate for 2001/02 is 3.7% (2000/01 – 5.43%). Interest earned for the year was $7,096 (2001 - $14,330).

6. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals and miscellaneous receivables. The balance at March 31 consists of:

	2002	2001
Surcharge receivable	$ 647,581	$ 571,541
Federal/Provincial cost sharing agreement receivable	47,472	-
Other accounts receivable	1,318	1,850
Total accounts receivable	$ 696,371	$ 573,391

7. Due from Public Trustee

The Fund invests a portion of its surplus funds with the Public Trustee for Saskatchewan. The Public Trustee invests these monies, together with monies it administers for its other clients, in a common fund. Income earned in the common fund, together with part of the change in market values of common fund investments, is allocated annually to clients, including Victims' Fund. The change in market value of common fund investments is allocated equally over four years.

The Fund records amounts allocated to it by Public Trustee as income or loss and adjusts the carrying value of its investment by the same amount. Fair value approximates the carrying value of investments.

8. Deferred Revenue

Under the federal *Seized Property Management Act* and the Forfeited Property Sharing Regulations, the Federal Government receives monies from seizures made by police during drug and other illegal activity investigations. On April 17, 2000 the Province entered into an agreement with the Federal Government that specifies the proceeds are to be used to support crime prevention, issues of substance abuse, and law enforcement. Treasury Board approved the deposit of the proceeds of crime into the Fund.

	2002	2001
Deferred revenue consists of:		
Monies for RCMP operations directed at organized crime	$ 33,379	$ 54,490
Monies for public education and crime prevention	36,126	36,126
Total deferred revenue	$ 69,505	$ 90,616

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

Schedule 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2002	2001
Expense:		
Community grants	$ 1,837,317	$ 1,671,937
Salaries	646,487	602,917
Proceeds of Crime	21,112	107,595
Contractual services	143,957	148,847
Compensation awards	385,527	312,454
Administration	124,429	132,150
Victim/witness rooms/softrooms	13,847	12,415
Systems expenses	2,033	1,533
Amortization	2,889	3,420
	$ 3,177,598	$ 2,993,268